

# Operationally Sound

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*President & Chief Operating Officer*

# TVA Fossil Highlights

- Record Generation
- Improved Availability
- Individual Performance Milestones

# TVA Nuclear Highlights

- Lower Production Costs
- Sustained High Capacity Factors
- Highest INPO Ratings

# TVA Peaking Plants

- Low Hydro Forced Outage Rate
- Pumped-Storage Reliability
- CT Start Reliability

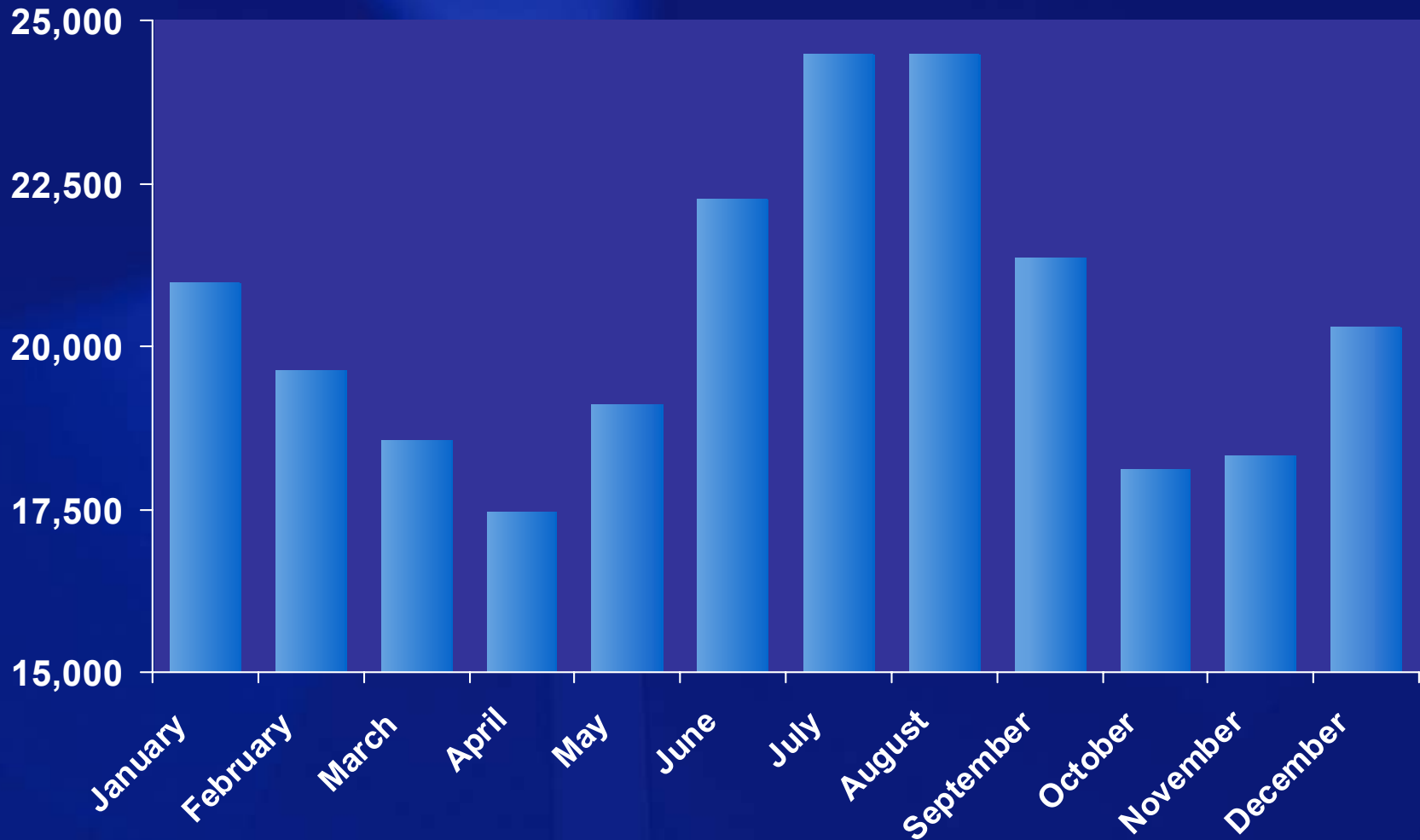
# Customer Connection Point Interruptions

frequency



# TVA's Dual-Peaking System: Five Year Average Monthly Peak System Demand

megawatts



# Recent Additions in TVA System Capacity

	Capacity
Hydro Modernization Upgrades (1994-2001)	400
Browns Ferry Nuclear Plant - Unit 3 Restart (1996)	1,100
Watts Bar Nuclear Plant Unit 1 (1996)	1,200
Combustion Turbine Inlet Fogging Addition (Various Years)	200
Browns Ferry Nuclear Plant Uprate (1998 - 1999)	100
Gallatin & Johnsonville Fossil Plants - Combustion Turbines (2000)	750
Lagoon Creek - Combustion Turbines (2001)	750
<b>Total System Additions:</b>	<b>4,500</b>

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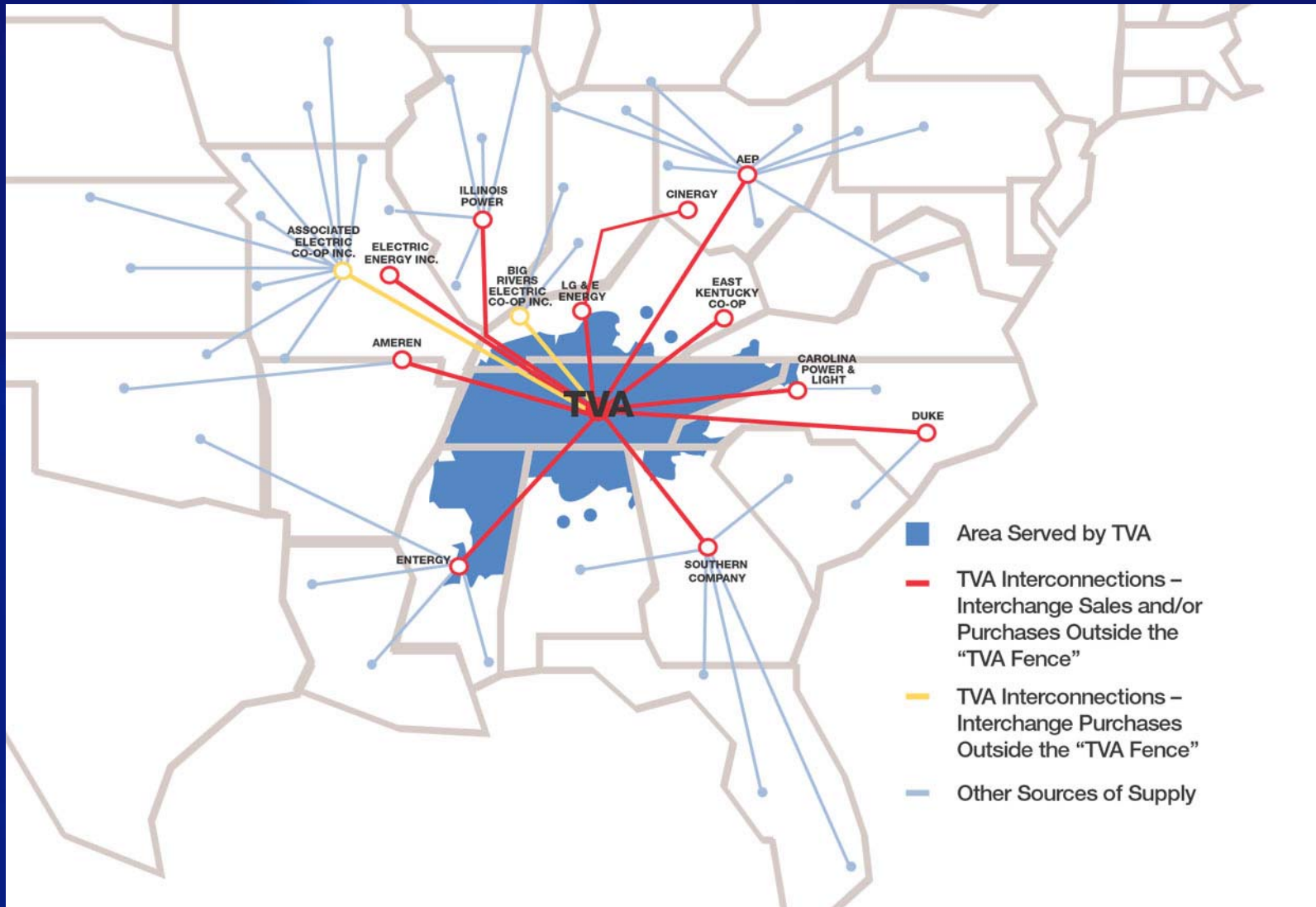
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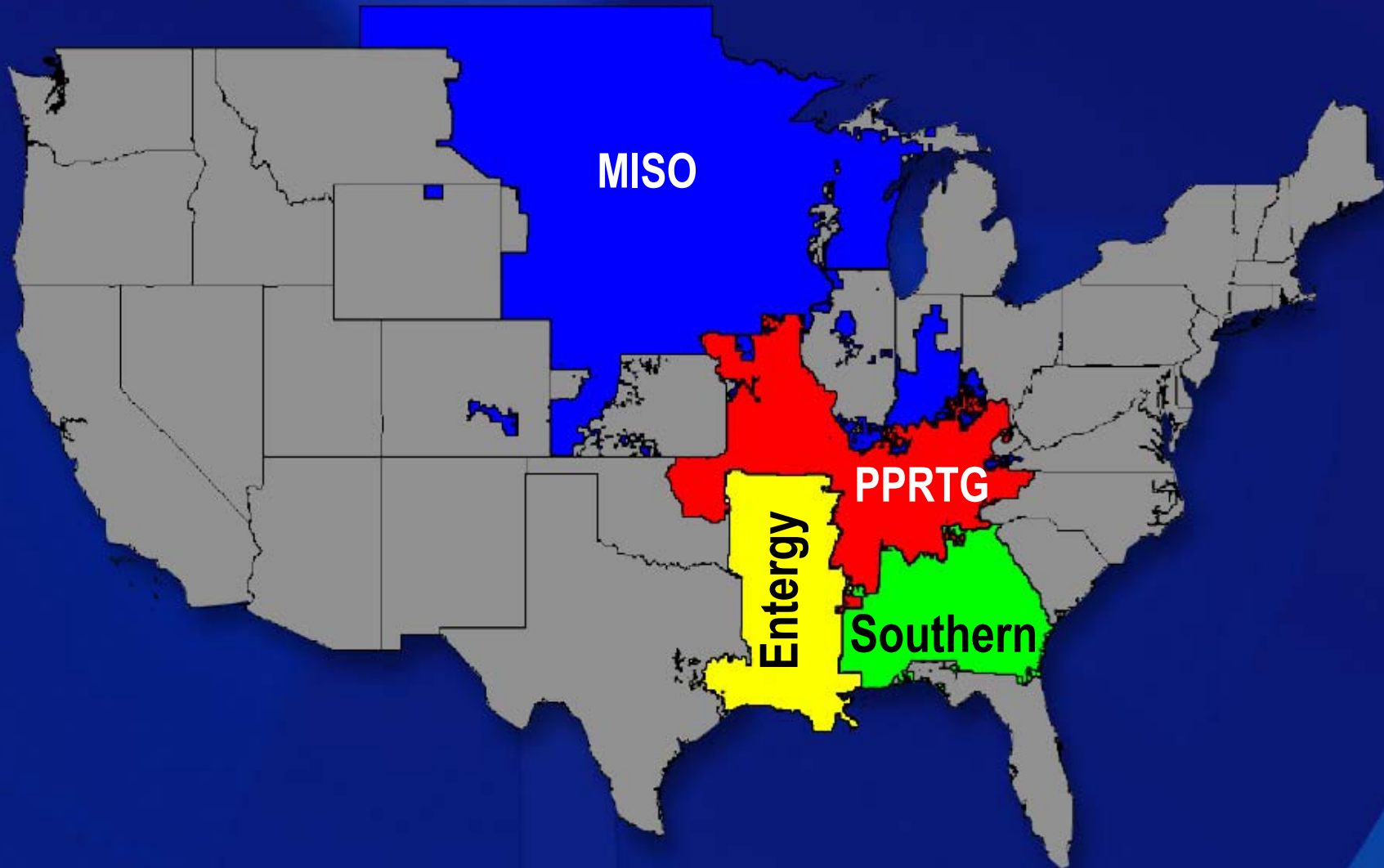
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- Revenue forecasts...

# TVA Transmission Interconnections





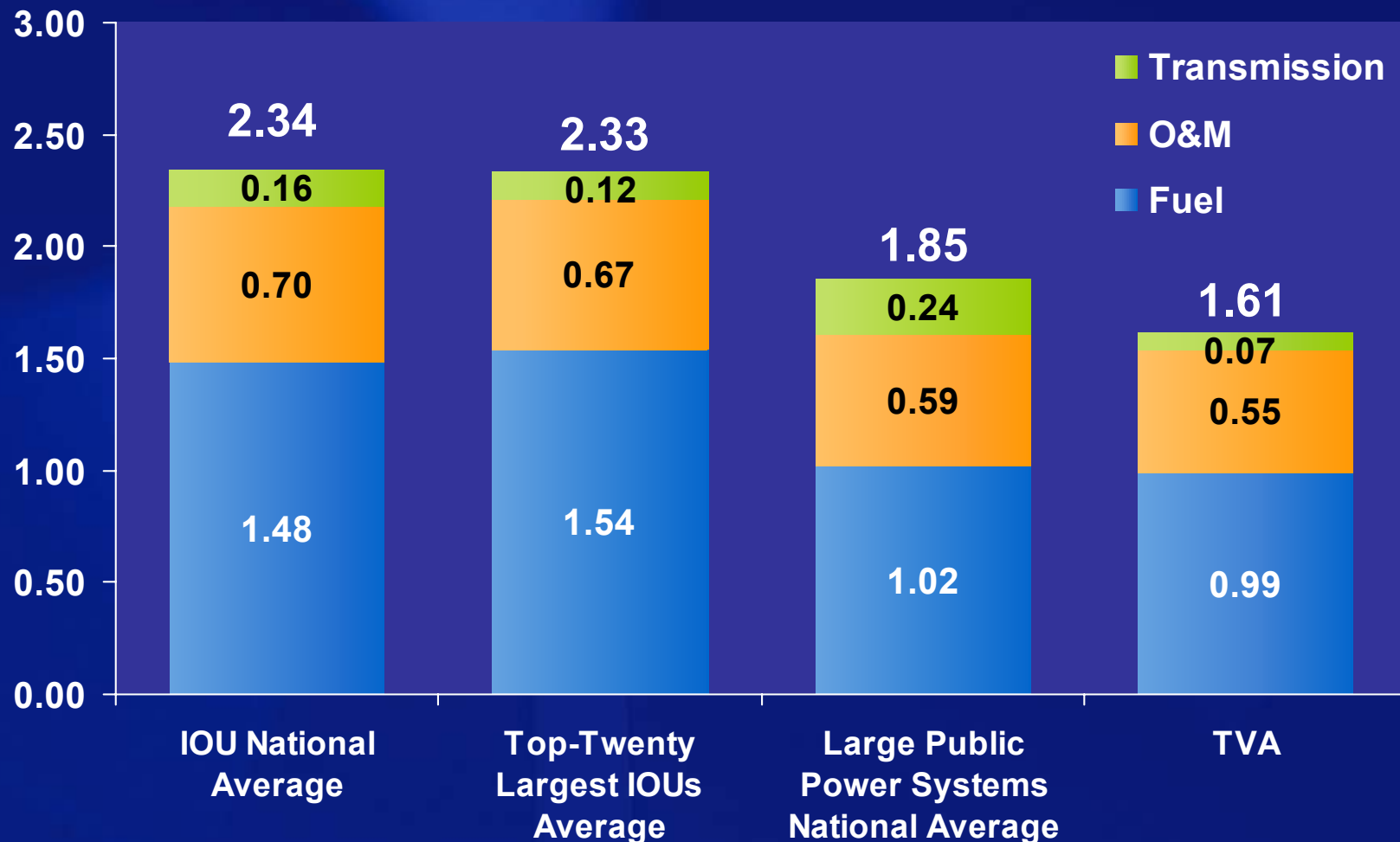
# A Broad Super-Regional Network





# 2000 Average Production & Transmission Operating Costs

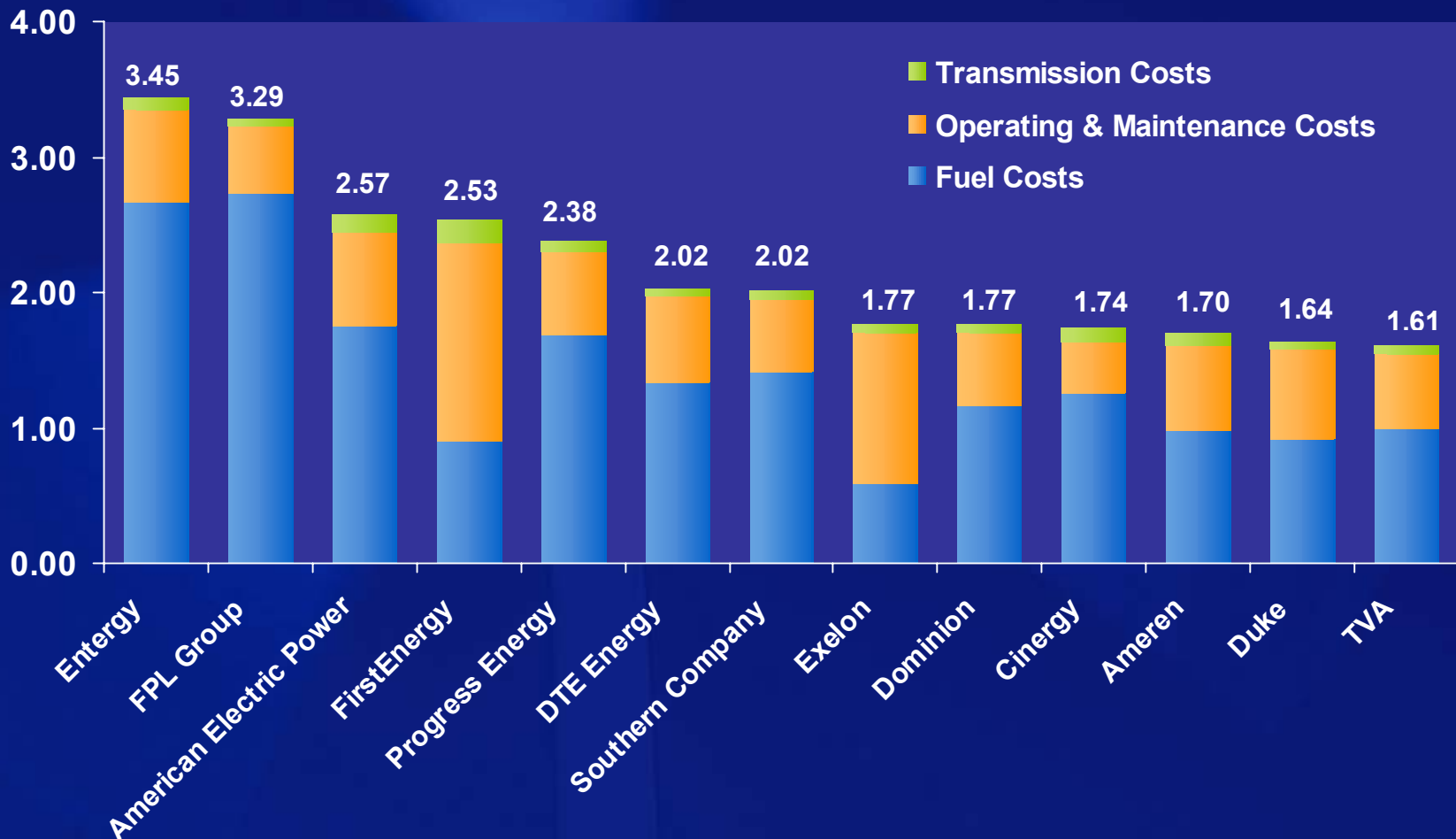
cents / kWh



# 2000 Average Net Generation and Transmission Costs

Large Regional Investor-Owned Utilities

cents / kWh



Source: RDI PowerDat – January 2002



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